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SENATE BILL 1045

47TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2005

INTRODUCED BY

Leonard Lee Rawson

AN ACT

**RELATING TO TAXATION; REQUIRING BUYERS NOT ENGAGED IN THE
CONSTRUCTION BUSINESS TO SUBMIT DOCUMENTATION OF GROSS RECEIPTS
TAXES PASSED ON TO AND PAID BY THOSE BUYERS FOR THE SALE OF
SERVICES AND MATERIALS USED IN THE CONSTRUCTION OF NEW
RESIDENTIAL BUILDINGS; PROHIBITING THE ISSUANCE OF CERTIFICATES
OF OCCUPANCY UNDER CERTAIN CIRCUMSTANCES.**

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

**Section 1. GROSS RECEIPTS TAX PAYMENT DOCUMENTATION--
BUYERS NOT ENGAGED IN THE CONSTRUCTION BUSINESS-- SERVICES AND
MATERIALS-- CERTIFICATES OF OCCUPANCY. --**

**A. A person who is not engaged in the construction
business and who pays for services and construction materials
used in the construction of a new residential building shall
submit to the taxation and revenue department in a form**

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underscored material = new
[bracketed material] = delete

1 prescribed by the department after approval of final inspection
2 by an insuring abstract or title entity, but before issuance of
3 a certificate of occupancy for that building, documentation of:

4 (1) the amount paid by the buyer for the
5 services and materials purchased; and

6 (2) the amount of gross receipts taxes passed
7 on to the buyer by the seller of the services or construction
8 materials and paid by the buyer.

9 B. If, upon review of documentation submitted by a
10 buyer pursuant to Subsection A of this section, the taxation
11 and revenue department determines that a buyer of services and
12 construction materials has not paid the gross receipts tax
13 passed on to the buyer by the seller, the department shall,
14 within two days of receipt of the buyer's submission, report
15 its determination to the political subdivision of the state
16 that is responsible for issuing a certificate of occupancy for
17 that residential building. The political subdivision of the
18 state that receives that determination from the taxation and
19 revenue department shall not issue a certificate of occupancy
20 for that residential building. If the buyer subsequently
21 submits in a form prescribed by the department proof
22 satisfactory to the department that the buyer has paid the
23 seller for the gross receipts tax passed on to the buyer, the
24 department shall notify the political subdivision of that
25 payment within one day of the buyer's submission. Upon receipt

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1 of that notification, the political subdivision may issue a
2 certificate of occupancy for the residential building.

3 Section 2. EFFECTIVE DATE. --The effective date of the
4 provisions of this act is July 1, 2005.

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